

In the Matter of:  
  
**JAB Wireless, Inc.,**  
    *Petitioner*  
  
and  
  
**LStar Equity Company Holdings, L.P.,**  
    *Petitioner/Transferee*  
  
Petition for Declaratory Ruling Under  
Section 310(b)(4) of the Communications  
Act of 1934, as Amended

Pursuant to 47 U.S.C. § 310(b)(4) of the Communications Act of 1934, as amended (the “Communications Act”), and Section 1.5000(a) of the Commission’s Rules, JAB Wireless, Inc. (“JAB”) and LStar Equity Company Holdings, L.P. (“LStar Equity” or “Transferee”) (together, “Petitioners”), petition the Commission for a declaratory ruling that it would serve the public interest to permit foreign ownership of FCC licensees (i) Digis, LLC, (ii) LP Broadband, Inc., (iii) AirCanopy Internet Services, Inc., (iv) Essex Telcom, Inc., (v) Rhino Communications, Inc., and (vi) Skybeam Acquisition Corporation (collectively, “Licensees”), each a wholly-owned indirect subsidiary of JAB, to exceed the 25-percent benchmark identified in Section 310(b)(4) of the Communications Act (the “Act”).

## **I. INTRODUCTION AND SUMMARY**

Licensees collectively hold more than 2000 wireless licenses in the Fixed Microwave services (CF, MG), Private Land Mobile services (IG), and 3650-3700 MHz service (NN), as well as an experimental license (collectively, the “Licenses”). In addition, Licensees collectively hold 20 approved leasing arrangements of non-common carrier authorizations in the Educational Broadband Service and Local Multipoint Distribution Service (collectively, the “Leases”).

Pursuant to the Master Restructuring Agreement by and among JAB, LStar Equity, LStar Loan Company, LLC, KOO JAB, LLC, KOO JAB II, LLC, and John S. Koo Charitable Remainder Trust dated as of May 2, 2018, and the LStar Exchange Agreement by and between JAB and LStar Equity dated as of May 2, 2018, the parties have agreed to a series of transactions (collectively, the “Transaction”) whereby LStar Equity has converted and will in the future convert certain debt and/or non-voting preferred stock into voting preferred and/or common stock. The first stage of the Transaction, which has already been completed, resulted in LStar Equity holding a 49.9% non-controlling voting and a 71.8% economic interest in JAB. In a second stage of the Transaction that will occur only after Commission approval of the transfer of control contemplated by the Transaction, LStar Equity will increase its voting interest to a controlling voting interest of at least 66.6%.<sup>1</sup> LStar Equity is ultimately controlled by a

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<sup>1</sup> Currently, notwithstanding LStar Equity’s economic interest in JAB, under the certificates of designation that created the preferred shares acquired in the first step of the Transaction, LStar Equity’s voting rights arising from its holdings of JAB equity securities are limited to no more than 49.9% of all outstanding equity securities of JAB prior to such time as Commission approval to the transfer of control is received and the applicable waiting period under the HSR Act terminates.

non-U.S. citizen, and at least 50% of its equity is indirectly held by non-U.S. entities or individuals.

As explained in a letter to the Commission dated May 31, 2018, JAB respectfully requests that the Commission treat this Petition for Declaratory Ruling as remedial under the terms of Section 1.5004(f)(3) of the Commission's rules.<sup>2</sup> JAB undertook the first stage of the transaction based on its understanding of the foreign ownership restrictions as applied to the Licensees. As JAB explained in Exhibit 3 of the transfer of control applications filed on May 11, 2018 ("Transfer Applications"),<sup>3</sup> which are being amended simultaneously with the filing of this Petition, JAB believed that it was exempt from the Section 310(b)(4) restrictions because, although the Licensees hold Common Carrier Fixed Point-to-Point Microwave Service (CF) and other common carrier licenses,<sup>4</sup> the services provided by the Licensees are not common carrier services for purposes of Section 310(b)(4).<sup>5</sup>

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<sup>2</sup> Although 47 C.F.R. 1.5004(f)(3) by its terms applies only to eligible U.S. public companies, the public interest considerations here are similar. JAB is a widely-held company with more than 300 shareholders and is controlled by its Board of Directors, and the Transaction involves an existing shareholder acquiring additional equity and, upon receipt of regulatory approvals, voting and Board control. JAB hereby requests analogous application of this section to the circumstances here. On May 31, 2018, JAB and LStar Equity provided notice of the transaction pursuant to 47 C.F.R. § 1.5004(f)(3).

<sup>3</sup> Digis, LLC (FRN 0013795273; ULS File No. 0008206233); LP Broadband, Inc. (FRN 0014175673; ULS File No. 0008206238); AirCanopy Internet Services, Inc. (FRN 0015689623; ULS File No. 0008206230); Essex Telcom, Inc. (FRN 0008317661; ULS File No. 0008206234); Rhino Communications, Inc. (FRN 0021487566; ULS File No. 0008206243); and Skybeam Acquisition Corporation (FRN 0021775820; ULS File No. 0008206244).

<sup>4</sup> Certain NN licenses (3650-3700 MHz) held by Licensees are also currently designated as common carrier.

<sup>5</sup> Under longstanding FCC precedent, an entity "will not be a common carrier where its practice is to make individualized decisions, in particular cases, whether and on what terms to deal with potential customers." *In the Matter of Preserving the Open Internet; Broadband Industry Practices*, Report and Order, 2010 FCC Lexis 7455 (rel. Dec. 23, 2010). JAB explained that the subject spectrum is used only to provide broadband Internet access services

It was only after completing the first stage of the Transaction and filing the Transfer Applications that JAB was informed during conversations with the FCC staff that JAB's interpretation of the interplay between the definition of common carrier in the microwave service and under Section 310(b) was unlikely to prevail at the Commission. JAB therefore files this Petition, describing its current and expected future ownership in detail and in accordance with 47 C.F.R. 1.5001, and the basis for a finding that it would serve the public interest to permit foreign ownership of the Licensees to exceed the 25-percent benchmark.<sup>6</sup>

As described herein, an Irish citizen, Mr. John P. Grayken, indirectly controls LStar Equity, and thus LStar Equity's voting interest in JAB. In addition, some intervening entities in the ownership and control chain of LStar Equity leading up to Mr. Grayken are organized under the laws of Bermuda. Upon full completion of the Transaction, Mr. Grayken, through these Bermuda entities (and other U.S. entities), will indirectly control JAB and the Licensees.

The equity in LStar Equity is held by private equity funds, and thus held indirectly through limited partnership interest by numerous U.S. and foreign investors. At least 50% of this equity in LStar Equity is directly or indirectly held by foreign entities and individuals, leading, as detailed herein, to an at least 36% indirect foreign equity

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to end user subscribers, and that JAB retains the discretion to determine on a case-by-case basis whether to serve particular end users and what pricing and terms to apply, thereby exempting it from application of Section 310(b)(4).

<sup>6</sup> As noted above and in Exhibit A hereto, simultaneously with this Petition, Petitioners are filing amended transfer of control applications in connection with the Transaction with respect to the Licensees. The Licensees are also newly filing transfer of control applications with respect to the Leases. The Licensees are also updating their ownership reports on file with the Commission.

interest in JAB and Licensees, both currently and upon full completion of the Transaction.

However, for the reasons provided herein, the Transaction raises no significant foreign ownership or control issues that would be of interest to the U.S. government with respect to U.S. national security, law enforcement, foreign policy, or trade policy concerns, and is in the public interest. Therefore, Petitioners hereby respectfully request that the Commission grant this Petition for Declaratory Ruling and find the proposed indirect foreign ownership structure of Licensees, as described herein, to be in the public interest.

For the Commission's reference, a chart depicting the current and post-Transaction ownership of Licensees is provided as Exhibit B.

## **II. DESCRIPTION OF THE PETITIONERS**

Licensees collectively provide fixed wireless broadband services under the trade name "Rise Broadband" in 16 states: Texas, Oklahoma, Missouri, Illinois, Indiana, Nebraska, Iowa, Kansas, Colorado, Wyoming, Idaho, Nevada, Utah, Minnesota, Wisconsin, and South Dakota. Rise Broadband offers high-speed Internet and digital voice services via fixed wireless technology. Rise Broadband's customers include residential, commercial and enterprise customers, including schools, hospitals, manufacturing facilities and other commercial locations. Rise Broadband offers expanded broadband coverage in previously under-served and un-served areas, delivers high-speed Internet at speeds comparable to or exceeding DSL and cable, and provides a competitive alternative to phone, satellite and cable providers. All Licensees are domiciled and based in the U.S., as detailed in Exhibit A.

The controlling parent of Licensees, JAB, is a Colorado corporation headquartered in Englewood, Colorado. JAB was incorporated in 2005 and previously operated as Skybeam, Digis, T6, Prairie iNet and Rhino Communications. All names were re-branded under the Rise name in 2015. JAB's officers and directors are all U.S. citizens.

Transferee, LStar Equity, is a limited partnership formed under the laws of Delaware. The equity of LStar Equity is held by various private equity funds formed in Delaware or Bermuda for investment purposes, with combined capital commitments of approximately \$5.1 billion, primarily LSF VIII International 2, L.P. ("Fund VIII Int'l") and Lone Star Fund VIII (U.S.), L.P. ("Fund VIII US"), which are both Delaware entities. These funds are a part of the family of Lone Star Funds, founded by John P. Grayken in 1995. To date, seventeen funds have been organized with aggregate capital commitments totaling approximately \$71.1 billion. Through a number of intermediate entities, Fund VIII Int'l and Fund VIII US are each ultimately controlled by Mr. John P. Grayken, an Irish citizen. The limited partnership interests of these funds are widely held by numerous U.S. and foreign investors, which limited partnership interests are fully insulated in accordance with Section 1.5003 of the Commission's Rules. Hudson Americas L.P., a subsidiary of Hudson Advisors L.P. ("Hudson"), headquartered in Dallas, Texas, provides support services to the funds.

Due to the current foreign equity and voting interests in JAB and Licensees, and proposed indirect control of JAB and Licensees by Mr. Grayken through the presence of some intervening Bermuda entities (and other U.S. entities), Petitioners are filing this Petition for Declaratory Ruling pursuant to Section 310(b)(4) of the Act.

### III. GRANT OF THIS PETITION IS IN THE PUBLIC INTEREST

In the Commission's 2013 Second Report and Order in its review of foreign ownership policies,<sup>7</sup> the Commission described the benefits of indirect foreign investment in U.S. licensees,<sup>8</sup> and expanded its "open entry" standard to apply to both WTO Member and non-WTO Member countries.<sup>9</sup> At the same time, the Commission stated that it would continue to coordinate with the relevant Executive Branch agencies to ensure that requests to exceed foreign ownership benchmarks are consistent with national security, law enforcement, foreign policy, and trade policy concerns.<sup>10</sup>

The Transaction raises no significant foreign ownership or control issues that would be of interest to the U.S. government with respect to U.S. national security, law enforcement, foreign policy, or trade policy concerns, and is in the public interest. The Transferee is ultimately indirectly controlled by an Irish citizen, but is managed in the U.S. by Hudson Americas L.P., a professional services firm based in Dallas, Texas, which Transferee has retained to provide asset management, legal, tax, and other similar services in connection with the Transferee's investment in JAB. Although some entities in the control chain between the Transferee and Mr. Grayken are domiciled in Bermuda, the two funds holding more than 98% of the equity interest in LStar Equity are domiciled in the U.S., and are fully insulated in accordance with the Commission's Rules.

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<sup>7</sup> *Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended*, Second Report and Order, FCC 13-50, 28 FCC Rcd 05741 (2013) ("*Foreign Ownership 2<sup>nd</sup> R&O*").

<sup>8</sup> *Id.*, ¶¶ 3, 13.

<sup>9</sup> *Id.*, ¶¶ 5, 22, 26.

<sup>10</sup> *Id.*, ¶¶ 1, 5, 26, 30-37.

The entities domiciled in Bermuda were formed in Bermuda because it is a jurisdiction with which private fund investors are familiar and offers courts and legal advisors with expertise in private equity. Other than Mr. Grayken and these Bermuda entities, there will be no individual foreign owners with a 5% or greater direct or indirect ownership interest in JAB or the Licensees that are not exempt from the specific approval requirements under Section 1.5001(i)(3) of the Commission's Rules.

LStar Equity is an existing investor in JAB, and the Transaction involves conversion of some of LStar Equity's debt and/or non-voting preferred stock into voting preferred and/or common stock. The Transaction contemplates no immediate changes to the existing network or services of Rise Broadband and will be transparent to its customers. LStar Equity intends that JAB's existing management team will remain in place, ensuring that JAB's managerial, technical and operational standards will be maintained. The investment participation of LStar Equity will enable the continued provision of high-quality communications services to the customers of the Licensees, without any material change in the company's operations. The primary purpose of the transaction is to recapitalize JAB and its subsidiaries to assure that they will have a strengthened balance sheet and increased access to capital, which will enhance the ability of Rise Broadband to innovate and provide ever-more sophisticated services to its customers, which will in turn advance the telecommunications and information infrastructure and economic health of the communities where JAB operates.

Accordingly, the Commission should grant the instant Petition and find the current and proposed indirect foreign ownership structure of Licensees in the public interest.



The information requested by Section 1.5001 of the Commission's Rules is provided in Exhibit A attached hereto.

#### IV. CONCLUSION

Based on the foregoing, the Petitioners respectfully submit that the public interest, convenience and necessity would be furthered by the Commission granting the instant Petition and issuing a declaratory ruling that the current and proposed foreign ownership of Licensees is in the public interest.

Respectfully submitted,

/s/ Patrick S. Campbell  
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*Counsel for LStar Equity*

Dated: June 14, 2018

/s/ Stephen E. Coran  
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*Counsel for JAB*

## **EXHIBIT A**

### **Information Requested Under Section 1.5001 of the Commission's Rules**

**(a) Name, FRN, Address/Phone, Place and Type of Business Organization, Name and Title of Officer Certifying**

**JAB (Petitioner):**

JAB Wireless, Inc. **FRN: 0016295214**  
61 Inverness Dr. East, Suite 250  
Englewood, Colorado 80112  
303-945-7599

Place and type of business organization: Colorado corporation

Name and title of officer certifying: Jeff Kohler, EVP and Chief Development Officer

**Digis, LLC (Licensee):**

Digis, LLC **FRN: 0013795273**  
c/o JAB Wireless, Inc.  
61 Inverness Dr. East, Suite 250  
Englewood, Colorado 80112  
303-945-7599

Place and type of business organization: Utah limited liability company

Name and title of officer certifying: Jeff Kohler, EVP and Chief Development Officer of JAB

**LP Broadband, Inc. (Licensee):**

LP Broadband, Inc. **FRN: 0014175673**  
c/o JAB Wireless, Inc.  
61 Inverness Dr. East, Suite 250  
Englewood, Colorado 80112  
303-945-7599

Place and type of business organization: Colorado corporation

Name and title of officer certifying: Jeff Kohler, EVP and Chief Development Officer of JAB

AirCanopy Internet Services, Inc. (Licensee):

AirCanopy Internet Services, Inc. c/o JAB Wireless, Inc. 61 Inverness Dr. East, Suite 250 Englewood, Colorado 80112 303-945-7599	<b>FRN: 0015689623</b>
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Place and type of business organization: Texas corporation

Name and title of officer certifying: Jeff Kohler, EVP and Chief Development Officer of JAB

Essex Telcom, Inc. (Licensee):

Essex Telcom, Inc. c/o JAB Wireless, Inc. 61 Inverness Dr. East, Suite 250 Englewood, Colorado 80112 303-945-7599	<b>FRN: 0008317661</b>
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Place and type of business organization: Illinois corporation

Name and title of officer certifying: Jeff Kohler, EVP and Chief Development Officer of JAB

Rhino Communications, Inc. (Licensee):

Rhino Communications, Inc. c/o JAB Wireless, Inc. 61 Inverness Dr. East, Suite 250 Englewood, Colorado 80112 303-945-7599	<b>FRN: 0021487566</b>
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Place and type of business organization: Colorado corporation

Name and title of officer certifying: Jeff Kohler, EVP and Chief Development Officer of JAB

Skybeam Acquisition Corporation (Licensee):

Skybeam Acquisition Corporation                      **FRN: 0021775820**  
c/o JAB Wireless, Inc.  
61 Inverness Dr. East, Suite 250  
Englewood, Colorado 80112  
303-945-7599

Place and type of business organization: Colorado corporation

Name and title of officer certifying: Jeff Kohler, EVP and Chief Development Officer of JAB

Transferee:

LStar Equity Company Holdings, L.P.                      **FRN: 0027421957**  
2711 N. Haskell Avenue, Suite 1700  
Dallas, TX 75204  
214-754-8400

Place and type of business organization: Delaware limited partnership

Name and title of officer certifying: Rafael A. Colorado, Vice President of LStar Management LLC, the General Partner of LStar Equity Company Holdings, L.P.

**(b) Legal Counsel Contact**

For JAB and Licensees:

Stephen E. Coran  
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2001 L Street, N.W., Suite 400  
Washington, DC 20036  
202-416-6744 (tel)  
202-293-7783 (fax)  
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For Transferee:

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202-421-3111 (fax)  
pcampbell@paulweiss.com

**(c) (1) Type of Radio Service**

<b>Licensee</b>	<b>Radio Service</b>
Digis, LLC	Fixed Microwave (CF, MG); 3650-3700 MHz (NN); Experimental
LP Broadband, Inc.	Fixed Microwave (CF, MG); Private Land Mobile (IG); 3650-3700 MHz (NN)
AirCanopy Internet Services, Inc.	Fixed Microwave (CF, MG); Private Land Mobile (IG); 3650-3700 MHz (NN); Leases
Essex Telcom, Inc.	Fixed Microwave (CF, MG); 3650-3700 MHz (NN)
Rhino Communications, Inc.	Fixed Microwave (CF, MG); Private Land Mobile (IG); 3650-3700 MHz (NN); Leases
Skybeam Acquisition Corporation	Fixed Microwave (CF, MG); 3650-3700 MHz (NN); Leases

**(2) Associated Transfer of Control Applications**

On May 11, 2018, JAB, Licensees and Transferee filed transfer of control applications in connection with the Transaction with respect to this wireless licenses held by Licensees, and on May 14, 2018 filed a transfer of control application with respect to the experimental license held by Digis, LLC. *See* Digis, LLC (ULS File No. 0008206233; File No. 0029-EX-TU-2018); LP Broadband, Inc. (ULS File No. 0008206238); AirCanopy Internet Services, Inc. (ULS File No. 0008206230); Essex Telcom, Inc. (ULS File No. 0008206234); Rhino Communications, Inc. (ULS File No. 0008206243); and Skybeam Acquisition Corporation (ULS File No. 0008206244). Applications with respect to the Leases were delayed due to technical problems with the FCC's filing system and were not filed at that time. The applications for the wireless licenses were placed on Public Notice on May 16, 2018 in Report No. 13185.

Subsequent to the filing of these applications, JAB, Licensees and Transferee were informed by FCC staff of the need for this Petition for Declaratory Ruling and certain other changes to the applications for transfer of control of the wireless licenses. By letter dated May 31, 2018, JAB notified the Commission that it would be filing this Petition for Declaratory Ruling. Simultaneously with this Petition, JAB, Licensees and Transferee are filing amended transfer of control

applications with respect to the Licenses, and are newly filing the transfer of control applications with respect to the Leases. Licensees are also updating their current and proposed ownership reports on file with the Commission.

**(d) Type of Declaratory Ruling Request**

Transferee requests a declaratory ruling pursuant to Section 310(b)(4) and Section 1.5000(a)(1) of the Commission's Rules.

**(e)-(g) Direct and Indirect Equity/Voting Interests of 10% or More or a Controlling Interest in the U.S. Parent<sup>11</sup>**

As shown in the organizational chart attached as Exhibit B, each Licensee is a direct wholly-owned subsidiary of Skybeam, LLC:

Name:	<b>Skybeam, LLC</b>
Address:	61 Inverness Drive East, Suite 250 Englewood, CO 80112
Citizenship:	Colorado corporation
Principal Business:	Investment Activities
Interest Held:	100% direct interest in each Licensee

Each Licensee is an indirect wholly-owned subsidiary of JAB Wireless, Inc.:

Name:	<b>JAB Wireless, Inc.</b> ("JAB")
Address:	61 Inverness Drive East, Suite 250 Englewood, CO 80112
Citizenship:	Colorado corporation
Principal Business:	Investment Activities
Interest Held:	100% direct interest in Skybeam, LLC, and thus 100% indirect interest in each Licensee

The following entities hold, directly or indirectly, ten percent (10%) or more of the equity interests and/or voting interests, or a controlling interest, in JAB, as calculated pursuant to Section 1.5002 of the Commission's Rules:

Name:	<b>LStar Equity Company Holdings, L.P.</b> ("LStar Equity")
Address:	2711 N. Haskell Avenue, Suite 1700 Dallas, TX 75204
Citizenship:	Delaware limited partnership
Principal Business:	Investment activities

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<sup>11</sup> Unless otherwise indicated, the ownership interests provided herein represent both equity and voting interests.

Interest Held: 72% equity, 49.9% voting direct interest in JAB currently by virtue of completion of stage 1 of the Transaction; 72% equity, at least 66.6% voting direct interest in JAB upon full completion of the Transaction<sup>12</sup>

The remaining 28% interest in JAB is currently held and will be held upon full completion of the Transaction by other entities and individuals, including members of JAB management and other interest-holders that existed prior to the Transaction. None of these entities or individuals has or will have a 10% or greater interest in JAB. JAB does not believe that any such entities or individuals are foreign individuals or entities.

Both currently and upon full completion of the Transaction, three private equity funds collectively, and two such funds individually, will own or control a ten percent (10%) or greater direct equity interest in LStar Equity:

Name:	<b>LSF VIII International 2, L.P.</b> ("Fund VIII Int'l")
Address:	2711 N. Haskell Avenue, Suite 1700 Dallas, TX 75204
Citizenship:	Delaware limited partnership
Principal Business:	Investment Activities
Interest Held:	58% equity; 0% voting (directly in LStar Equity, indirectly in JAB)

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<sup>12</sup> Currently, notwithstanding LStar Equity's economic interest in JAB, under the certificates of designation that created the preferred shares acquired in the first step of the Transaction, LStar Equity's voting rights arising from its holdings of JAB equity securities are limited to no more than 49.9% of all outstanding equity securities of JAB prior to such time as Commission approval to the transfer of control is received and the applicable waiting period under the HSR Act terminates (such date, the "Regulatory Approval Date"). From and after the Regulatory Approval Date, LStar Equity's voting interest will increase to at least 66.6%, its designees will represent four members of a seven member Board (or a comparable percentage of a larger Board) of JAB, and the voting restriction will no longer apply. Therefore, following the Regulatory Approval Date and full completion of the Transaction, LStar Equity will directly control JAB and indirectly control the Licensees.

Name: **Lone Star Fund VIII (U.S.), L.P.**  
 (“Fund VIII US”) <sup>13</sup>  
 Address: 2711 N. Haskell Avenue, Suite 1700  
 Dallas, TX 75204  
 Citizenship: Delaware limited partnership  
 Principal Business: Investment Activities  
 Interest Held: 40% equity; 0% voting  
 (directly in LStar Equity, indirectly in JAB)  
*See also* entry below for LStar Management LLC,  
 which controls LStar Equity, and in which Fund  
 VIII US holds 50% of the interests.

Name: **LSF VIII Investments, L.P.**  
 Address: Washington Mall, Suite 304  
 7 Reid Street  
 Hamilton HM 11, Bermuda  
 Citizenship: Bermuda exempted limited partnership  
 Principal Business: Investment Activities  
 Interest Held: < 2% (directly in LStar Equity, indirectly in JAB)

The limited partnership interests in Fund VIII Int’l and Fund VIII US are held by numerous investors. LSF VIII Investments, L.P. is an employee co-investment vehicle. The limited partnership interests in each of these funds are fully insulated in accordance with Section 1.5003 of the Commission’s Rules. Based on current investment percentages, no such limited partner owns or controls a ten percent (10%) or greater direct or indirect equity or voting interest in JAB, and thus in the Licensees, through their investments in these funds.

At least 50.28% of the equity of LStar Equity is held by foreign entities or individuals. More specifically, 83.28% of the investors in Fund VIII Int’l are foreign and this fund holds 58.00% of the equity in LStar Equity, leading to 48.30% foreign investment in LStar Equity. LSF VIII Investments, L.P. is formed in Bermuda, and thus contributes another 1.98% foreign equity. None of the investors in Fund VIII US are foreign. Thus, the total foreign equity in LStar Equity is at least 50.28%.

Control of LStar Equity is vested in the following entities and individuals:

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<sup>13</sup> Fund VIII US financed a portion of its investment in LStar Equity through LSF8 Affiliate Finance (U.S.), LLC (“Affiliate Finance”). Affiliate Finance borrowed funds and contributed the borrowed funds to LStar Equity in exchange for preferred partnership interests in LStar Equity. Affiliate Finance is entitled to a 2.63% annual preferred return on its contributed funds until its preferred partnership interests are redeemed by the contribution of equity from the Limited Partners in Fund VIII US, Fund VIII Int’l and LSF VIII Investments, L.P. Affiliate Finance is a Delaware limited liability company, and a wholly owned subsidiary of Fund VIII US.



Name: **LStar Management LLC**  
("LStar Management")  
Address: 2711 N. Haskell Avenue, Suite 1700  
Dallas, TX 75204  
Citizenship: Delaware limited liability company  
Principal Business: Investment Activities  
Interest Held: As sole general partner of LStar Equity, LStar Management directly controls LStar Equity, and upon completion of stage 2 of the Transaction, will indirectly control JAB. LStar Management has a 0% equity interest in LStar Equity and thus in JAB.

Ownership and control of LStar Management LLC is split equally between Fund VIII US and Lone Star Fund IX (U.S.), L.P. ("Fund IX US"), each having a membership interest of 50% in the LLC. Management of the LLC is fully reserved to these members. Control of each of these funds resides ultimately in an individual, Mr. John P. Grayken, as follows:

Name: **Fund VIII US** (see above)  
Address: 2711 N. Haskell Avenue, Suite 1700  
Dallas, TX 75204  
Citizenship: Delaware limited partnership  
Principal Business: Investment Activities  
Interest Held: 50% interest in LStar Management, the sole general partner of LStar Equity; 40% equity interest in LStar Equity as described above

Name: **Lone Star Fund IX (U.S.), L.P.**  
("Fund IX US")  
Address: 2711 N. Haskell Avenue, Suite 1700  
Dallas, TX 75204  
Citizenship: Delaware limited partnership  
Principal Business: Investment Activities  
Interest Held: 50% interest in LStar Management, the sole general partner of LStar Equity; 0% equity interest in LStar Equity

Name: **Lone Star Partners VIII, L.P.**  
("Partners VIII")  
Address: Washington Mall, Suite 304  
7 Reid Street  
Hamilton HM 11, Bermuda  
Citizenship: Bermuda exempted limited partnership  
Principal Business: Investment Activities  
Interest Held: Sole general partner of Fund VIII Int'l and Fund VIII US; 1% indirect equity interest in LStar Equity

Name: **Lone Star Management Co. VIII, Ltd.**  
Address: Washington Mall, Suite 304  
7 Reid Street  
Hamilton HM 11, Bermuda  
Citizenship: Bermuda exempted limited company  
Principal Business: Investment Activities  
Interest Held: Sole general partner of Lone Star Partners, VIII, L.P; less than 1% indirect equity interest in LStar Equity.

Name: **Lone Star Partners IX, L.P.**  
("Partners IX")  
Address: Washington Mall, Suite 304  
7 Reid Street  
Hamilton HM 11, Bermuda  
Citizenship: Bermuda exempted limited partnership  
Principal Business: Investment Activities  
Interest Held: Sole general partner of Fund IX US; 0% equity interest in LStar Equity.

Name: **Lone Star Management Co. IX, Ltd.**  
Address: Washington Mall, Suite 304  
7 Reid Street  
Hamilton HM 11, Bermuda  
Citizenship: Bermuda exempted limited company  
Principal Business: Investment Activities  
Interest Held: Sole general partner of Lone Star Partners, IX, L.P; 0% equity interest in LStar Equity.

Name: **Mr. John P. Grayken**  
Address: 2711 N. Haskell Avenue, Suite 1750  
Dallas, TX 75204  
Citizenship: Ireland  
Principal Business: Investment Activities  
Interest Held: Sole shareholder of Lone Star Management Co. VIII, Ltd. and Lone Star Management Co. IX, Ltd.; indirectly controls LStar Equity.

Although Mr. Grayken controls LStar Equity through the above entities, he does not hold a 10% or greater equity interest in LStar Equity or in JAB.

Control of Fund VIII Int'l and Fund VIII US is vested in Partners VIII, Lone Star Management Co. VIII, Ltd., and ultimately Mr. Grayken, as described above. Control of LSF VIII Investments, L.P. is vested in its sole general partner, HudCo GenPar VIII, LLC, an affiliate of Hudson and a Delaware limited liability company, which is in turn controlled by Hudson's board of directors. The limited partnership interests in Partners VIII and Partners IX are held primarily by

domestic and foreign members of senior management of Lone Star and Hudson entities.

To the Transferee's knowledge, no other person or entity, directly or indirectly, owns or controls a ten percent (10%) or greater interest in JAB or Licensee through LStar Equity or any other means.

**(h) Estimate of Aggregate Foreign Ownership and Ownership/Control Structure**

The ownership and control structure is depicted in the organization chart in Exhibit B and described above, which demonstrates how the percentages below were determined. As described in the body of this Petition, this remedial Petition for Declaratory Rulemaking was prompted because the foreign equity and voting interests exceed the 25-percent benchmark identified in Section 310(b)(4) of the Communications Act. This foreign ownership is in the public interest for the reasons provided in Section III of this Petition.

	Aggregate direct and/or indirect foreign <i>voting</i> interests	Aggregate direct and/or indirect foreign <i>equity</i> interests
Current	49.9%	At least 36.1%
Upon full completion of the proposed Transaction	At least 66.6%	At least 36.1%

**(i) Request for Specific Approval of 5 Percent or More in U.S. Parent**

Transferee requests specific approval for the following foreign entities to directly or indirectly hold equity and/or voting interests of 5 percent or more in JAB and ultimately in Licensees. *See Exhibit B* thereto.

Mr. John P. Grayken  
Lone Star Partners VIII, L.P.  
Lone Star Management Co VIII, Ltd.  
Lone Star Partners IX, L.P.  
Lone Star Management Co. IX, Ltd.

There are no other foreign owners with a 5% or greater direct or indirect equity and/or voting interest in the Transferee or JAB, and all limited partners in LStar Equity, Fund VIII Int'l, Fund VIII US, and LSF VIII Investments, L.P. are fully insulated in accordance with Section 1.5003 of the Commission's Rules.

**(j) Citizenship of Foreign Investors Named in (i)**

Ireland (sole individual named in (i)).

Bermuda (all entities named in (i)).

See (e)-(g) for place and type of organization and principle business(es) of entities named in (i).

See (e)-(g) for 10% interest holders of the entities named in (i). In addition, family trusts of Mr. Grayken in the aggregate indirectly hold approximately 40% of the limited partnership interests in Partners VIII and approximately 38% of the limited partnership interests in Partners IX. The trusts are governed under Bermuda law. Samuel D. Loughlin individually and family trusts of Samuel D. Loughlin, in the aggregate, hold approximately 14% of the limited partnership interests in Partners VIII and approximately 16% of the limited partnership interests in Partners IX. Samuel D. Loughlin is a U.S. citizen and the trusts are U.S. entities. No other individual or entity holds a 10% or greater equity or voting interest in either Partners VIII or Partners IX.

**(k) Request for Advance Approval**

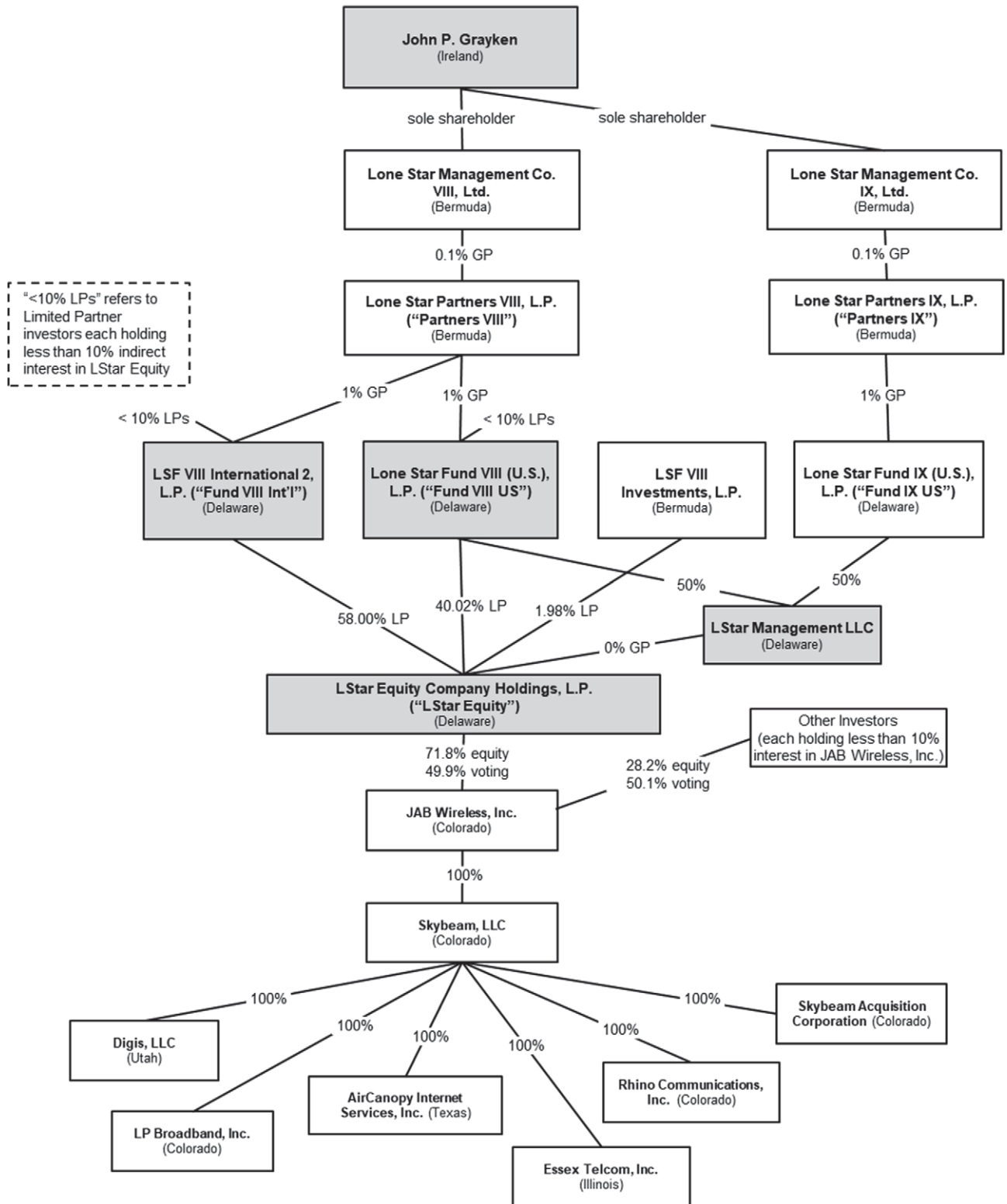
Transferee requests approval for LStar Equity's ownership of JAB to increase beyond the specific percentages provided in (e)-(h) above, up to 100% collectively of the U.S. parent's direct and/or indirect equity and/or voting interests, and/or for JAB to take on up to an additional 25% unidentified foreign ownership through investors other than LStar Equity.

**EXHIBIT B**

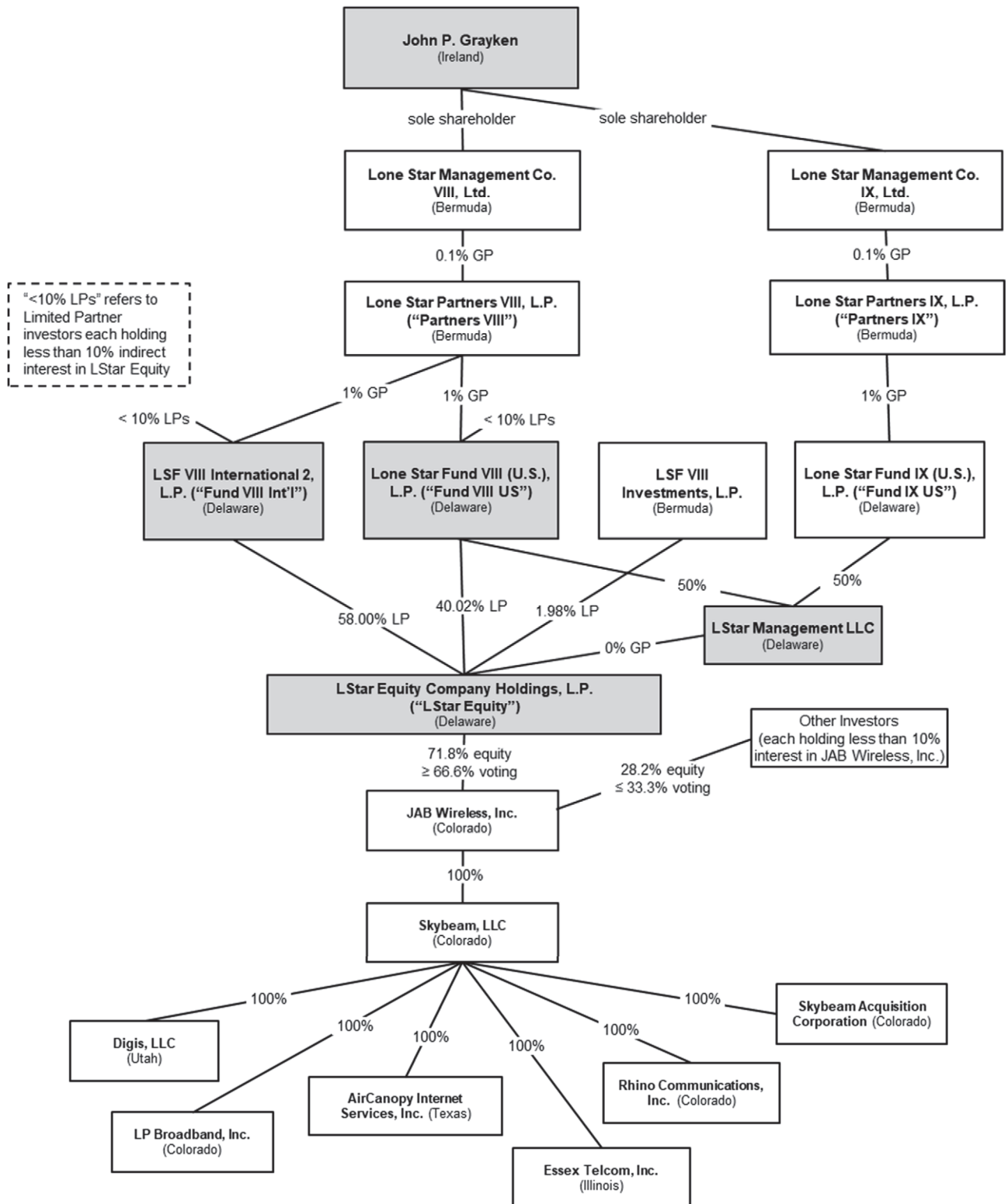
**Current and Post-Transaction Ownership of JAB**

*(see attached)*

## Current Ownership



## Post-Transaction Ownership



## **DECLARATION**

I, Jeff Kohler, state that I am Executive Vice President and Chief Development Officer of JAB Wireless, Inc. ("JAB") and am authorized to make this declaration on behalf of JAB and Licensees. I have read the foregoing Petition for Declaratory Ruling. JAB and Licensees have calculated the ownership interests disclosed in the Petition based on its review of the Commission's rules, and the interests disclosed in the Petition satisfy each of the pertinent standards and criteria set forth in those rules.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 14th day of June, 2018.

  
\_\_\_\_\_  
Jeff Kohler  
EVP and Chief Development Officer  
JAB Wireless, Inc.



### **DECLARATION**

I, Rafael A. Colorado, state that I am Vice President of LStar Management LLC, the General Partner of LStar Equity Company Holdings, L.P. ("Transferee"), and am authorized to make this declaration on behalf of Transferee. I have read the foregoing Petition for Declaratory Ruling. Transferee has calculated the ownership interests disclosed in the Petition based on its review of the Commission's rules, and the interests disclosed in the Petition satisfy each of the pertinent standards and criteria set forth in those rules.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 14th day of June, 2018.



Name: Rafael A. Colorado

Title: Vice President of LStar Management  
LLC, the General Partner of LStar Equity  
Company Holdings, L.P.